

**Management Control Evaluation Checklist**  
**Morale, Welfare, and Recreation (MWR) Activities and Nonappropriated Fund Instrumentalities (NAFIs)**

<b>REGULATION NUMBER:</b>	<b>AR 215-1</b>
<b>DATE OF REGULATION:</b>	<b>25 Nov 98</b>

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**Assessable Unit : (Mailing address and phone number)**

**Function.** The function covered by this checklist is the administration, operation, and management of Morale, Welfare, and Recreation (MWR) Activities and Nonappropriated Fund Instrumentalities (NAFIs).

**Purpose.** The purpose of this checklist is to assist MACOM and installation personnel responsible for MWR activities and NAFIs in administering APF and NAF resources, MWR activity reporting requirements, managing MWR programs, and other NAFIs in evaluating their key management controls. Many of the questions are also pertinent to NAFIs other than the Installation MWR Fund MWR activities. This checklist is not intended to cover all controls.

**Instructions.** Answers must be based on actual testing of key management controls, such as document analysis, direct observation, interviewing, sampling, and simulation. Answers that indicate deficiencies must be explained and corrective action indicated in supporting documentation (i.e., material weakness form and DA Form 11-2-R). These key management controls must be formally evaluated at least once every five years. Certification that this evaluation has been conducted must be accomplished on the enclosed DA Form 11-2-R (Management Control Evaluation Certification Statement.)

**Supersession.** This appendix replaces the checklists previously published in:

- a.* DA Circular 11-87-3, for AR 215-1, Base Support Services, General Welfare and Recreation; and for AR 215-2, Base Support Services, General Welfare and Recreation.
- b.* DA Circular 11-91-2, for AR 215-2, Base Support Services, General, General Welfare and Recreation (Amusement and Vending Machine Operations).
- c.* DA Circular 11-92-3, for AR 215-2 (para 5-35 and 5-36), Personnel, Hotel Operations.

**Comments.** Help make this a better tool for evaluating management controls. Submit comments to the Commander, U.S. Army Community and Family Support Center ATTN: CFSC-SP, 4700 King Street, Alexandria, VA 22302-4419.

**You must checkmark the response and the appropriate testing approach for each test question. Test questions that are marked as “N/A”, don’t require a testing approach checkmark.**


# TEST QUESTIONS:

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	<b>RESPONSE</b>			<b>TESTING APPROACH</b>			
	<b>Y E S</b>	<b>N O</b>	<b>N / A</b>	<b>Document Analysis</b>	<b>Direct Observation</b>	<b>Sampling</b>	<b>Simulation</b>
							
<i>d.</i> Chapter 7. Administration of NAFIs and MWR activities.							
(1) Resale. Has written agreement been obtained from the regional director of the servicing exchange before offering exchange authorized services and merchandise (per AR 60-20) through MWR activities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Alcohol policy.							
(a) Are all employees involved in selling alcohol trained, using the Alcohol Sellers Intervention Program (ASIP) or other approved programs, within 30 days of hire/assignment and then at least annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) Is a current Federal retail or wholesalers' beverage license on hand at facilities authorized to sell alcoholic beverages?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) Does seller/server require identification from purchaser of alcohol if seller/server questions minimum age requirement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Safety. Are individuals using hand tools, power tools and other specialized equipment required to qualify prior to use and are records maintained and updated every five years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) Commercial sponsorship.							

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	<u>RESPONSE</u>			<u>TESTING APPROACH</u>			
<b>TEST QUESTIONS-continued!</b>	<b>Y E S</b>	<b>N O</b>	<b>N / A</b>	<b>Document Analysis</b>	<b>Direct Observation</b>	<b>Sampling</b>	<b>Simulation</b>
(2) Are engine and aircraft log books maintained in accordance with Federal Aviation Agency (FAA) standards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Are AFA written maintenance discrepancies, which render an aircraft questionable for flight, signed off by authorized personnel prior to the next flight?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) Are MWR AFA maintenance personnel performing maintenance on privately-owned aircraft?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(5) Is a quality assurance program in place for fuel used in flying activity aircraft?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(6) Are "hold harmless agreements" required for all patrons using AFA aircraft and records maintained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Cash inventory and retail sales accountability (compensating controls and procedures)</b>							
<i>a.</i> Where key management controls are not fully implemented at MWR activities, the activity manager must establish effective compensating controls to ensure adequate management controls. An example of compensating controls would be strengthening other cash handling controls when staffing levels are inadequate to allow for proper separation of cash handling responsibilities. The manager could do one, or any combination of, the following:							
(1) Strengthen control of merchandise--more frequent inventory counts of sensitive items.							

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	RESPONSE			TESTING APPROACH			
	YES	NO	N/A	Document Analysis	Direct Observation	Sampling	Simulation
<p><b>TEST QUESTIONS continued:</b></p> <p>(2) Do more frequent sales accountability tests.</p> <p>(3) Have a third party validate sales in the daily activity reports with documentation supporting a cashier record.</p> <p><i>b.</i> The activity manager must coordinate the implementation of compensating controls with the installation Internal Review Office, and obtain approval from the DPCA/DCA. Documentation showing this coordination and approval must be filed at the activity manager's office.</p>							
Evaluation conducted by: (Name, Grade, Title, Office Branch, Telephone Number)	Date of Evaluation						
<p><b><u>Evaluation Results:</u></b> (Document the evaluation results on DA Form 11-2-R, in item 7)</p>							